



VIVIMED LABS LIMITED

[CIN: L02411KA1988PLC009465]

Vivimed

Regd. Office: 78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka
Email: yugandhar.kopparthi@vivimedlabs.com, Website: www.vivimedlabs.com,
Tel: 08482 - 232045, Fax: 08482 - 232436

POSTAL BALLOT NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

Dear Shareholders,

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 (the “**Act**”) and other applicable provisions, if any, of the Act read together with the Companies (Management and Administration) Rules, 2014 including any statutory modification or re-enactment thereof for the time being in force, that the resolutions set out below are proposed to be passed as special resolutions by way of postal ballot. The explanatory statements pertaining to the aforesaid resolutions setting out the material facts and the reason thereof are annexed hereto along with a postal ballot form (the “**Form**”) for your consideration.

The Board of Directors of the Company (which shall include a committee of the board of directors of the Company that may be empowered or constituted for this purpose) (the “**Board**”) has appointed Mr.N.V.S.S.Rao, Practicing Company Secretary (Membership No: 5868) as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner. You are requested to carefully read the instructions printed on the Form, record your assent (for) or dissent (against) through e-voting or by filling necessary details and affixing your signature at the designated place in the Form and return the same in original duly completed in the enclosed self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than 5.00 p.m. on Friday the **16th Day of October , 2015**. Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman/ Managing Director/ Company Secretary or any other person authorised by the Board. The result of the postal ballot would be announced by Chairman/ Managing Director/ Company Secretary on Monday, **19th day of October 2015** at the Registered / Corporate office of the Company. The aforesaid result would be displayed at the Registered / Corporate office of the Company and displayed along with the Scrutinizer’s report on the Company’s website viz www.vivimedlabs.com, website of the Central Depository Services (India) Limited (“**CDSL**”), will be sent to BSE Limited (“**BSE**”) & the National Stock Exchange of India Limited (“**NSE**”) for investors’ information.

ITEM NO. 1

TO GIVE AUTHORITY FOR TRANSFER OF IDENTIFIED PRODUCTS/BUSINESS RELATING TO SPECIALTY CHEMICALS BUSINESS:

To consider and if thought fit, to pass, with or without modification, the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) of the Act read with the rules framed there under and other applicable provisions, if any, of the Act and the rules made thereunder (including any amendment thereto or re-enactment thereof for the time being in force), and the provisions of the Memorandum and Articles of Association of the Company, and subject to such other applicable statutes and regulations, and subject to such other requisite approvals, consents and clearance from the Company’s bankers, financial institutions, lenders, trustees to the debenture holders and/ or other institutions or bodies, statutory authorities, if and wherever necessary, and as may be required, consent of the shareholders of the Company (“**Shareholders/ Members**”) be and is hereby accorded to the Board to sell / transfer / hive off and/or dispose of or otherwise transfer to strategic partner / investor(s) / special purpose vehicle company (“**SPV**”) or to any other third party, a part of the Company’s **IDENTIFIED BRANDS/PRODUCTS RELATING TO SPECIALTY CHEMICALS BUSINESS** along with movable properties attached thereto and all related assets and liabilities (together, “**Undertaking**”) for such consideration, which shall not be lower than (a) book value of the Undertaking; and (b) Rs.380 crores; on such terms and conditions and with such modifications and in such manner as may be required by any of the concerned authorities or as the Board of the Company

may deem fit and appropriate in the interest of the Company and that the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary or expedient for giving effect to this resolution.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of the Company be and is hereby authorised to finalize the manner and method of disposal/sale/transfer of the Undertaking and to execute all necessary agreements (including such representations, warranties, indemnities and covenants as may be customary in such transactions), deeds and documents and subsequent modifications thereto, and to do all such acts and thing as may be deemed necessary and/or expedient in the interest of the Company including without limitation, to intimate and make the necessary filings to and with the NSE and the BSE as required, settle any questions, difficulties, doubts that may arise in this regard, as it may in its absolute discretion deem fit, and also to further delegate from time to time, all or any of the powers conferred herein to any committee of the Board or individuals.”

**By Order of the Board of Directors
For VIVIMED LABS LIMITED**

Registered Office:

78/A, Kolhar Industrial Area,
Bidar – 585403, Karnataka

**Kopparthi Yugandhar
Company Secretary**

Date: 12th September, 2015

Place: Hyderabad

Notes:

1. An explanatory statement pursuant to Section 102 of the Act, setting out the material facts and reasons for the proposed special resolutions at Item No. 1 above, is appended herein below alongwith the Form for your consideration.
2. The notice is being sent to all the Members, whose names appear in the Register of Members / list of Beneficial Owners as received from National Securities Depository Limited (“**NSDL**”) / Central Depository Services (India) Limited (“**CDSL**”) as on Friday, September 11, 2015.
3. Voting period commences on and from 9.00 a.m. (IST) Thursday, September 17, 2015 and ends at 5.00 p.m. (IST) on Friday, October 16, 2015.
4. In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014, notice of postal ballot is being sent by registered post / courier / electronically by email to those Shareholders who have registered their email-id with the Company / Depositories along with Form. Shareholders who wish to vote through Form can download the from the link www.aarthiconsultantats.com or seek duplicate Form from M/s Aarthi Consultant Private Limited, Unit: Vivimed Labs Ltd ,1-2-285, Domalguda, Hyderabad – 500029, fill in the details and send the same to the Scrutinizer.
5. We are pleased to offer e-voting facility as an alternate to the Shareholders who wish to cast their votes electronically instead of sending physical Forms. E-voting is optional. Please read and follow the e-voting instructions printed herein below.
6. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Shareholders on the cut-off date, i.e. Friday , September 11, 2015.

7. The date of declaration of results of the postal ballot, i.e. October 19th, 2015, shall be the date on which the resolution would be deemed to have been passed, if approved by requisite majority.
8. Shareholders desiring to exercise vote by postal ballot are requested to carefully read the instructions printed in the Form and return the Form duly completed and signed, in the enclosed self-addressed business reply envelope to the Scrutinizer, so as to reach the Scrutinizer not later than 5.00 p.m. on October 16th, 2015.
9. The postage cost will be borne by the Company. However, envelopes containing postal ballots, if sent by courier or registered / speed post at the expense of the Shareholders will also be accepted. Assent / Dissent received after October 16th, 2015 would be strictly treated as if reply from the Shareholder has not been received.
10. As per Rule 22 of the Companies (Management and Administration) Rules, 2014, inter-alia details of dispatch of notice and Form to the Shareholders will be published in at least one English language and one vernacular language newspaper.
11. The Scrutinizer will submit his report to the Chairman or Managing Director or Company Secretary of the Company after completion of the scrutiny of the Forms and the result of the postal ballot will be announced on October 19th, 2015 at the Registered / Corporate Office of the Company. The result of the postal ballot along with the Scrutinizer's report will also be displayed on the Company's website www.vivimedlabs.com and website of the CDSL and on BSE Limited & NSE.
12. In case of any queries, Shareholders may contact the Company's Registrar M/s Aarthi Consultant Pvt Ltd, Unit: Vivimed Labs Ltd 1-2-285, Domalguda, Hyderabad – 500029, EMAIL: info@aarthiconsultants.com.
13. E-voting Instructions:

The instructions for Shareholders voting electronically are as under:

- i. The voting period begins on the 17th of September, 2015 at 9.00 a.m. (IST) and ends on the 16th of October, 2015 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 11th September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The Shareholders should log on to the e-voting website www.evotingindia.com.
- iii. Click on Shareholders.
- iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in physical form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

DOB	Enter the date of birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)

- viii. After entering these details appropriately, click on “SUBMIT” tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this notice.
- xi. Click on the EVSN for the Company Name on which you choose to vote.
- xii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Note for Non – Individual Shareholders and Custodians**
- Non-Individual Shareholder (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 RELATING TO THE AFORESAID SPECIAL RESOLUTIONS

Item No. 1:

In order to improve liquidity, reduce debt, lower interest outgoes and optimising the capital structure to drive the next level of growth for the Company’s business, post an ongoing review of all strategic options available, it is being planned that certain brands/products/assets which are part of the speciality chemicals business may be divested by the Company. Under this plan it is proposed to sell out or otherwise transfer some of the undertakings / assets / brands/products relating to specialty chemical business of the Company (together the “**Undertaking**”), to a strategic investor / SPV company or third party (ies), on a slump sale basis. Since the Company has now started exploring options for the sale/transfer/disposal of the Undertaking, it is considered advisable to obtain Shareholders’ approval by way of a special resolution under the provisions of Section 180(1)(a) of the Companies Act 2013. The turnover of the Undertaking is approximately INR 148,00,00,000/- (Rupees One Hundred and Forty Eight Crores) during financial year ended March 31, 2015. The standalone revenues for FY15 was INR 430,00,00,000 (Rupees Four Hundred and Thirty Crores), and this constitutes 34.4%of standalone revenues of the Company. The consolidated revenues for FY15 was INR 1380,00,00,000 (Rupees One thousand three hundred and eighty crores) and it constitutes 10.7% of consolidated revenues of the Company.

An Investment banker has been retained to assist the Company to explore potential offers for proposed transaction and as per their preliminary estimate, the Managing Director & CEO of the Company informed the Board and as noted by the Board at its meeting held on 12th of September, 2015, that the valuation of the Undertaking is estimated to be approximately Rs. 380,00,00,000 (Rupees Three Hundred and Eighty Crores). The proposed resolution at Item No. 1 provides adequate flexibility and discretion to the Board to finalise the terms of the sale of the Undertaking as a business undertaking in consultation with advisors, experts or other authorities as may be required. Further disclosures will be made upon entering into definitive agreements subject to approval of share holders and other concerned parties.

As per the requirements set out in Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No.: CIR/CFD/CMD/4/2015 dated September 9, 2015 and Clause 36 of the Listing Agreements with the National Stock Exchange and the Bombay Stock Exchange respectively, set forth below are the relevant disclosures in relation to the Undertaking that are available as of date.

Sl. No.	Item	Disclosure
1	The amount and percentage of the turnover or revenue or income and net worth contributed by the Undertaking during the last financial year	The turnover of the Undertaking is approximately INR 148,00,00,000/- (Rupees One Hundred and Forty Eight Crores) during financial year ended March 31, 2015. The standalone revenues for FY15 was INR 430,00,00,000 (Rupees Four Hundred and Thirty Crores), and this constitutes 34.4%of standalone revenues of the Company. The consolidated revenues for FY15 was INR 1380,00,00,000 (Rupees One thousand three hundred and eighty crores) and it constitutes 10.7% of consolidated revenues of the Company.
2	Date on which the agreement for sale has been entered into	Definitive agreements has not been entered into.The Company is exploring various options for sale/disposal of the undertaking

3	The expected date of completion of sale/disposal	Within the foreseeable future, subject to requisite statutory and other approvals
4	Consideration to be received from such sale/disposal	Approximately INR 380,00,00,000/- (Rupees Three Hundred and Eighty Crores)
5	Brief details of buyers and whether any of the buyers belong to the promoter/promoter group/group companies. If yes, details thereof.	No transaction is envisaged with the promoters or promoter group, an Investment banker has been retained to assist the company to explore potential offers for proposed transaction. Hence Buyer may be any strategic partner / investor(s) / special purpose vehicle company ("SPV") or any other third party
6	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length?"	No.
7	Name of the entity(ies) forming part of the slump sale, details in brief such as, size, turnover etc.;	The Undertaking is a part of the Company. The turnover of the Undertaking is approximately INR 148,00,00,000/- (Rupees One Hundred and Forty Eight Crores) during financial year ended March 31, 2015
8	Area of business of the entity(ies)	The Undertaking is engaged in activity pertaining to development, manufacture and marketing of active ingredients in the speciality chemicals business.
9	Cash Consideration	Not below INR 380,00,00,000/-
10	Brief details of change in shareholding pattern (if any) of listed entity	No change in shareholding pattern.

The Board recommends the resolution proposed at Item No.1 for your approval.

The promoters, directors or key managerial personnel of the Company or their relatives may be considered as interested, if any of them will be holding position of directorship and/or to the extent of shareholding of the Company in the acquirer/transferee company.

**By Order of the Board of Directors
For VIVIMED LABS LIMITED**

Registered Office:

78/A, Kolhar Industrial Area,
Bidar – 585403, Karnataka

**Kopparthi Yugandhar
Company Secretary**

Date : 12th September, 2015
Place : Hyderabad



VIVIMED LABS LIMITED

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POSTAL BALLOT FORM

Sr. No.

1. Name and Registered address of sole/
first named Shareholder (in block letters) :
2. Names of joint holder(s), if any,
(in block letters) :
3. Registered Folio No.
[Applicable to Shareholders holding
Equity shares in physical form] :
DP ID no. & Client ID No. :
[Applicable to shareholders holding
equity shares in dematerialised form]
4. Number of equity shares held :

I / We hereby exercise my / our vote in respect of the Special Resolutions to be passed through postal ballot by conveying my / our assent or dissent to the said Special Resolutions by placing the (√) mark at the appropriate box below:

Resolution No.	Description	No. of Equity Shares held	Mark (√) for voting		
			Assent	Dissent	Abstain
1	Special Resolution under Section 180 (1)(a) of the Companies Act, 2013, giving consent to the Board of Directors to divest or otherwise transfer some of the undertakings / assets / brands/products relating to specialty chemical business of the Company (together the " Undertaking "), to a strategic investor / SPV company or third party (ies), on a slump sale basis.				

Place :

Date :

Signature of the Shareholder
(As per specimen signature registered with Registrar and Share Transfer Agent)

Note: Please read the instructions overleaf carefully before exercising the vote.

Please read the following instructions carefully:

1. All Shareholders desiring to exercise his / her vote by postal ballot should complete this Form and send it to the Scrutinizer Mr.N V S S S Rao , Practising Company Secretary, C/o.Vivimed Labs Ltd, Veernag Towers,Hubsiguda,Hyderabad-500007 in the enclosed postage prepaid self-addressed envelope. Form deposited in person or sent by post or courier at the expense of the Member will also be accepted. It is however clarified that Shareholders desiring to exercise their vote from outside India will have to arrange for postage from the country where the Form is dispatched to the Scrutinizer.
2. A Shareholder may convey his / her / its assent / dissent / abstain in the Form. The assent or dissent received in any other form shall not be considered valid. The consent of the Shareholder must be accorded by placing a tick mark (√) in the appropriate column.
3. The Company has appointed Mr Manohar Rao V, whole time director, Mr Santosh Varalwar, MD&CEO and Mr. K. Yugandhar, Company Secretary as the persons responsible for the entire postal ballot voting process.
4. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the completed Form should be accompanied by a certified copy of the relevant board resolution / appropriate authorisation, with the specimen signature(s) of the authorised signatory (ies) duly attested.
5. The signature of the Member on this Form should be as per the specimen signature furnished by National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) or registered with the Company / R & T Agent in respect of shares held in dematerialised form or in physical form, respectively.
6. The self addressed pre-paid envelope bears name and address of the Scrutinizer appointed by the Board of the Company.
7. Forms which are incomplete or unsigned or defective in any manner are liable to be rejected. The Scrutinizer's decision in this regard shall be final and binding
8. A member seeking duplicate Form or having any grievance pertaining to the postal ballot process can write to the Company's Registrars M/s Aarthi consultant pvt Ltd , Unit: Vivimed Labs Ltd 1-2-285, Domalguda, Hyderabad – 500029 ,EMAIL:info@aarthiconsultants.com
9. This form should be completed and signed by the Shareholder as per the specimen signature registered with the Company / R & T Agent. In case of joint holding, this form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder. Unsigned, incomplete or incorrectly ticked Form shall be rejected.
10. The Scrutinizers decision on the validity of the Form will be final.
11. The postal ballot shall not be exercised by a proxy.
12. The Form duly completed should reach the Scrutinizer not later than 5.00 p.m. (IST) on the 16th of October, 2015. Form received after this date will be treated as if the reply from the Shareholder has not been received.
13. Shareholders are requested not to send any other paper along with the Form in the enclosed pre-paid self-addressed envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
14. There will be one Form for every Folio / Client ID irrespective of the number of joint holders.
15. The results of the postal ballot will be declared on the 19th of October, 2015 at the Registered / Corporate office of the Company.